

G - Finance and Administration Cabinet

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G - Finance and Administration Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	6,291,600	6,291,600	6,291,600	15,488,200	15,488,200	15,488,200
General Fund	384,509,500	384,509,500	384,509,500	416,527,100	417,887,600	417,594,600
Restricted Funds	104,658,600	104,658,600	104,658,600	103,891,600	103,891,600	103,891,600
Federal Funds	4,021,800	4,021,800	4,021,800	2,878,300	2,878,300	2,878,300
Road Fund	4,756,000	4,756,000	4,756,000	4,331,000	4,331,000	4,331,000
Regular Total Funds	504,237,500	504,237,500	504,237,500	543,116,200	544,476,700	544,183,700
Continuing						
TOTAL FUNDS	504,237,500	504,237,500	504,237,500	543,116,200	544,476,700	544,183,700
II. EXPENDITURE CATEGORY						
Personnel Costs	147,582,200	147,582,200	147,582,200	148,590,500	148,590,500	148,590,500
Operating Expenses	87,681,200	87,681,200	87,681,200	89,280,600	89,280,600	89,280,600
Grants, Loans, Benefits	10,250,000	10,250,000	10,250,000	9,250,000	9,250,000	9,250,000
Debt Service	253,919,000	253,919,000	253,919,000	291,980,100	293,340,600	293,047,600
Capital Outlay	1,305,100	1,305,100	1,305,100	515,000	515,000	515,000
Construction	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
TOTAL EXPENDITURES	504,237,500	504,237,500	504,237,500	543,116,200	544,476,700	544,183,700
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	6,291,600	6,291,600	6,291,600	15,488,200	15,488,200	15,488,200
General Fund	384,509,500	384,509,500	384,509,500	416,527,100	417,887,600	417,594,600
Restricted Funds	104,658,600	104,658,600	104,658,600	103,891,600	103,891,600	103,891,600
Federal Funds	4,021,800	4,021,800	4,021,800	2,878,300	2,878,300	2,878,300
Road Fund	4,756,000	4,756,000	4,756,000	4,331,000	4,331,000	4,331,000
Regular Total Funds	504,237,500	504,237,500	504,237,500	543,116,200	544,476,700	544,183,700
Continuing						
TOTAL BASE LEVEL	504,237,500	504,237,500	504,237,500	543,116,200	544,476,700	544,183,700

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CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund	35,375,000	36,175,000	36,175,000			
Restricted Funds	19,534,000	19,534,000	19,534,000	6,874,000	6,874,000	6,874,000
Federal Funds	1,300,000	1,300,000	1,300,000			
Bond Funds	171,130,000	200,305,000	181,805,000			
Capital Construction Sur	444,400	444,400	444,400			
Investment Income	2,700,000	9,925,000	9,925,000		2,500,000	2,500,000
Other Funds	21,500,000	21,500,000	21,500,000	3,000,000	3,000,000	3,000,000
TOTAL CAPITAL	251,983,400	289,183,400	270,683,400	9,874,000	12,374,000	12,374,000

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CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Operating Budget

General Administration

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	11,916,700	11,916,700	11,916,700	11,938,200	11,938,200	11,938,200
Restricted Funds	7,558,800	7,558,800	7,558,800	7,061,700	7,061,700	7,061,700
Road Fund	283,000	283,000	283,000	283,000	283,000	283,000
Regular Total Funds	19,758,500	19,758,500	19,758,500	19,282,900	19,282,900	19,282,900
Continuing						
TOTAL FUNDS	19,758,500	19,758,500	19,758,500	19,282,900	19,282,900	19,282,900
II. EXPENDITURE CATEGORY						
Personnel Costs	12,638,300	12,638,300	12,638,300	12,690,800	12,690,800	12,690,800
Operating Expenses	4,021,100	4,021,100	4,021,100	3,998,100	3,998,100	3,998,100
Grants, Loans, Benefits	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Capital Outlay	599,100	599,100	599,100	94,000	94,000	94,000
TOTAL EXPENDITURES	19,758,500	19,758,500	19,758,500	19,282,900	19,282,900	19,282,900
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	11,916,700	11,916,700	11,916,700	11,938,200	11,938,200	11,938,200
Restricted Funds	7,558,800	7,558,800	7,558,800	7,061,700	7,061,700	7,061,700
Road Fund	283,000	283,000	283,000	283,000	283,000	283,000
Regular Total Funds	19,758,500	19,758,500	19,758,500	19,282,900	19,282,900	19,282,900
Continuing						
TOTAL BASE LEVEL	19,758,500	19,758,500	19,758,500	19,282,900	19,282,900	19,282,900

**Fiscal Biennium 2004-2006
Budget Modification Report**

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General Administration

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from, the General Administration Appropriation Unit, Capital Construction Investment Income account, in the amount of \$1,888,000 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Affordable Housing Trust Fund: Included in the above General Fund appropriation is \$2,500,000 in fiscal year 2004-2005 and \$2,500,000 in fiscal year 2005-2006 for the Affordable Housing Trust Fund."

The Finance and Administration Cabinet Reorganization- The Cabinet combined the administrative functions, including human resources, fiscal operations, budget and legal services, of the former Finance and Administration Cabinet, the former Revenue Cabinet and the former Governor's Office of Technology. The Division of Local Government Services was created by combining the Social Security function, the county costs/fees functions and the property valuation administrator's support. The previous Department of Administration was abolished and its functions moved to other areas of the cabinet or to the Commerce Cabinet.

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House amends a Part I, Operating Budget, language provision as follows:

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General Administration

"Affordable Housing Trust Fund: Included in the above General Fund appropriation is \$2,500,000 in fiscal year 2004-2005 and \$2,500,000 in fiscal year 2005-2006 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$500,000 in fiscal year 2004-2005 and \$500,000 in fiscal year 2005-2006.

The House amends Part V, Fund Transfers, to include: an additional \$18,325,000 in fiscal year 2004-2005, \$13,725,000 from General Administration, Capital Construction Investment Income and \$592,900 in fiscal year 2004-2005 from EMPOWER KY.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends Part V, Fund Transfers, by deleting the EMPOWER KY transfer of \$592,900 in fiscal year 2004-2005. The Senate amends the fund transfer, for the Capital Construction Investment Income, to \$7,438,000 in fiscal year 2004-2005 and \$12,675,000 for fiscal year 2005-2006.

CONFERENCE REPORT

The Conference concurs with the Senate.

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	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund						
Restricted Funds						
Investment Income	300,000	300,000	300,000			
TOTAL CAPITAL	300,000	300,000	300,000			
II. CAPITAL PROJECTS						
1 Postal Services-2 Inserting machines						
PRJ7750167						
Investment Income	300,000	300,000	300,000			
Project Total	300,000	300,000	300,000			
2 Finance Genesco Building-Lease						
PRJ7750168						
General Fund						
Restricted Funds						
Project Total						
TOTAL CAPITAL	300,000	300,000	300,000			

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G - Finance and Administration Cabinet**Operating Budget****Controller**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	10,714,700	10,714,700	10,714,700	10,832,100	10,832,100	10,832,100
Restricted Funds	2,189,000	2,189,000	2,189,000	2,196,400	2,196,400	2,196,400
Federal Funds	3,250,000	3,250,000	3,250,000	2,250,000	2,250,000	2,250,000
Regular Total Funds	16,153,700	16,153,700	16,153,700	15,278,500	15,278,500	15,278,500
Continuing						
TOTAL FUNDS	16,153,700	16,153,700	16,153,700	15,278,500	15,278,500	15,278,500
II. EXPENDITURE CATEGORY						
Personnel Costs	6,431,500	6,431,500	6,431,500	6,480,900	6,480,900	6,480,900
Operating Expenses	6,457,200	6,457,200	6,457,200	6,532,600	6,532,600	6,532,600
Grants, Loans, Benefits	3,250,000	3,250,000	3,250,000	2,250,000	2,250,000	2,250,000
Debt Service	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL EXPENDITURES	16,153,700	16,153,700	16,153,700	15,278,500	15,278,500	15,278,500
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	10,714,700	10,714,700	10,714,700	10,832,100	10,832,100	10,832,100
Restricted Funds	2,189,000	2,189,000	2,189,000	2,196,400	2,196,400	2,196,400
Federal Funds	3,250,000	3,250,000	3,250,000	2,250,000	2,250,000	2,250,000
Regular Total Funds	16,153,700	16,153,700	16,153,700	15,278,500	15,278,500	15,278,500
Continuing						
TOTAL BASE LEVEL	16,153,700	16,153,700	16,153,700	15,278,500	15,278,500	15,278,500

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Office of the Controller

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Social Security Contingent Liability Fund: Any expenditures that may be required by KRS 61.470 are hereby deemed necessary government expenses and shall be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

Management Administration Reporting System (MARS)- MARS is the software system used statewide for financial accounting and reporting. An \$11.5 million initiative is recommended to upgrade MARS.

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House adds a Part I, Operating Budget, language provision as follows:

"Contract Litigation: Notwithstanding KRS Chapter 13B, actions on KRS Chapter 45A contracts shall be litigated pursuant to KRS 45A.245."

The House, amends Part II, Capital Budget, projects as follows: Management Administrative Reporting System Upgrade, a reduction of \$2,500,000 Investment Income, in fiscal year 2004-2005.

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Office of the Controller

The House provides \$27,000,000 in General Fund from a transfer of Tobacco Settlement Funds, and \$87,000,000 in Bond Funds, that the debt service support comes from Tobacco Settlement Funds, for the Phase II Tobacco Settlement Payments project in fiscal year 2004-2005.

The House adds a Part II, Capital Budget, language provision as follows:

"Phase II Tobacco Settlement Payments: The bonds shall be issued by the Kentucky Asset/Liability Commission pursuant to KRS 56.860 to 56.869, or any other applicable state entity authorized by law to issue bonds, as early as calendar year 2005 as possible and shall be issued for a term not to exceed 20 years."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends State Executive Branch Budget Bill, Part I, Operating Budget, by removing the language concerning "Contract Litigation".

The Senate, amends Part II, Capital Budget, projects as follows: Management Administrative Reporting System Upgrade an increase of \$2,500,000 Investment Income, in fiscal year 2005-2006.

The Senate, amends Part II, Capital Budget language provision as follows:

"Phase II Tobacco Settlement Payments: The bonds shall be issued by the Kentucky Asset/Liability Commission or any other applicable state entity authorized by law to issue bonds, as designated by the Secretary of the Finance and Administration Cabinet. The bonds shall be issued by June 30, 2005, and shall be issued for a term not to exceed 20 years."

CONFERENCE REPORT

The Conference concurs with the Senate with the following change:

"Phase II Tobacco Settlement Payments: The bonds shall be issued by the Kentucky Asset/Liability Commission or any other applicable state entity authorized by law to issue bonds, as designated by the Secretary of the Finance and Administration Cabinet. The bonds shall be issued by June 30, 2005, and shall be issued for a term not to exceed 20 years. Funds may be provided to the

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Budget Modification Report

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Office of the Controller

Kentucky Tobacco Settlement Trust Corporation for costs incurred to provide for the issuance of the Phase II Settlement Payment checks. The necessary funds may be provided from the \$114,000,000 General Fund and Bond Fund proceeds identified in Section 2, Controller, Item 002."

G - Finance and Administration Cabinet**Capital Budget****Controller**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund	27,000,000	27,000,000	27,000,000			
Restricted Funds	6,000,000	6,000,000	6,000,000	2,000,000	2,000,000	2,000,000
Bond Funds	87,000,000	87,000,000	87,000,000			
Investment Income	1,000,000	1,000,000	1,000,000		2,500,000	2,500,000
TOTAL CAPITAL	121,000,000	121,000,000	121,000,000	2,000,000	4,500,000	4,500,000
II. CAPITAL PROJECTS						
1	Management Administrative Reporting System Upgrade					
PRJ7580164						
Restricted Funds	6,000,000	6,000,000	6,000,000	2,000,000	2,000,000	2,000,000
Investment Income	1,000,000	1,000,000	1,000,000		2,500,000	2,500,000
Project Total	7,000,000	7,000,000	7,000,000	2,000,000	4,500,000	4,500,000
2	Phase II Tobacco Settlement Payments					
PRJ7580165						
General Fund	27,000,000	27,000,000	27,000,000			
Bond Funds	87,000,000	87,000,000	87,000,000			
Project Total	114,000,000	114,000,000	114,000,000			
TOTAL CAPITAL	121,000,000	121,000,000	121,000,000	2,000,000	4,500,000	4,500,000

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G - Finance and Administration Cabinet**Operating Budget****Debt Service**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	6,116,600	6,116,600	6,116,600	15,313,200	15,313,200	15,313,200
General Fund	244,857,400	244,857,400	244,857,400	274,146,900	275,507,400	275,214,400
Road Fund	2,930,000	2,930,000	2,930,000	2,505,000	2,505,000	2,505,000
Regular Total Funds	253,904,000	253,904,000	253,904,000	291,965,100	293,325,600	293,032,600
Continuing						
TOTAL FUNDS	253,904,000	253,904,000	253,904,000	291,965,100	293,325,600	293,032,600
II. EXPENDITURE CATEGORY						
Debt Service	253,904,000	253,904,000	253,904,000	291,965,100	293,325,600	293,032,600
TOTAL EXPENDITURES	253,904,000	253,904,000	253,904,000	291,965,100	293,325,600	293,032,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	6,116,600	6,116,600	6,116,600	15,313,200	15,313,200	15,313,200
General Fund	244,857,400	244,857,400	244,857,400	274,146,900	275,507,400	275,214,400
Road Fund	2,930,000	2,930,000	2,930,000	2,505,000	2,505,000	2,505,000
Regular Total Funds	253,904,000	253,904,000	253,904,000	291,965,100	293,325,600	293,032,600
Continuing						
TOTAL BASE LEVEL	253,904,000	253,904,000	253,904,000	291,965,100	293,325,600	293,032,600

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Debt Service

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"New Debt Service: Included in the above General Fund appropriation is \$5,049,500 in fiscal year 2005-2006 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet."

"Tobacco Settlement Funds - Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Appropriations for Projects Not Line-Itemized: Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Kentucky Infrastructure Authority Water and Sewer Projects; Repair of State-Owned Dams; Land Acquisition; Property Demolition; Guaranteed Energy Savings projects; Wetland and Stream Mitigation; Phase I Tobacco Settlement Agricultural Development Initiative; Economic Development projects which shall include authorization for the High-Tech Construction Pool and the High-Tech Investment Pool; Infrastructure projects; the Capital Renewal and Maintenance Bond Pool; and University Major Items of Equipment Pools. Any projects estimated to cost over \$400,000 and equipment estimated to cost over \$100,000 shall be reported to the Capital Projects and Bond Oversight Committee. All moneys transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction."

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, contains language provisions that direct:

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Debt Service

"Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco supported funding program accounts to other accounts of the General Fund."

The Bill as Introduced provides General Fund-Phase I Tobacco Settlement Funds totaling \$6,116,600 in fiscal year 2004-2005 and \$6,113,200 in fiscal year 2005-2006 to the Finance and Administration Cabinet, Debt Service appropriation unit.

HOUSE REPORT

The House concurs with the Bill as Introduced with the following exceptions:

The House increases General Fund support totaling \$4,599,000, in fiscal year 2005-2006, for the debt service on the Statewide Repair, Maintenance, and Replacement Pool Fund Capital Project in the Facilities and Support appropriation unit and increased General Fund (Tobacco) support totaling \$9.2 million, in fiscal year 2005-2006, for the debt service on the Phase II Payments Capital Project in the Office of the Controller.

The House amends a Part I, Operating Budget, language provision as follows:

"New Debt Service: Included in the above General Fund appropriation is \$9,648,500 in fiscal year 2005-2006 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the Part I, Operating Budget, General Fund Support for debt service on new projects, by \$1,130,500.

The Senate amends Part I, Operating Budget, language as follows:

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Budget Modification Report**

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Debt Service

"New Debt Service: Included in the above General Fund appropriation is \$7,786,000 in fiscal year 2005-2006 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet.

CONFERENCE REPORT

The Conference concurs with the Bill as Introduced with the following changes:

The Conference amends Part I, Operating Budget, General Fund appropriation, to accomodate revised debt service funding for projects in the Capital Budget.

The Conference amends a Part I, Operating Budget, language provision as follows:

"New Debt Service: Included in the above General Fund appropriation is \$7,493,000 in fiscal year 2005-2006 to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation units within the Finance and Administration Cabinet.

G - Finance and Administration Cabinet**Operating Budget****Facilities and Support Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	7,243,900	7,243,900	7,243,900	7,242,600	7,242,600	7,242,600
Restricted Funds	29,536,500	29,536,500	29,536,500	29,282,000	29,282,000	29,282,000
Regular Total Funds	36,780,400	36,780,400	36,780,400	36,524,600	36,524,600	36,524,600
Continuing						
TOTAL FUNDS	36,780,400	36,780,400	36,780,400	36,524,600	36,524,600	36,524,600
II. EXPENDITURE CATEGORY						
Personnel Costs	16,671,500	16,671,500	16,671,500	16,683,400	16,683,400	16,683,400
Operating Expenses	17,402,900	17,402,900	17,402,900	17,420,200	17,420,200	17,420,200
Capital Outlay	706,000	706,000	706,000	421,000	421,000	421,000
Construction	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL EXPENDITURES	36,780,400	36,780,400	36,780,400	36,524,600	36,524,600	36,524,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	7,243,900	7,243,900	7,243,900	7,242,600	7,242,600	7,242,600
Restricted Funds	29,536,500	29,536,500	29,536,500	29,282,000	29,282,000	29,282,000
Regular Total Funds	36,780,400	36,780,400	36,780,400	36,524,600	36,524,600	36,524,600
Continuing						
TOTAL BASE LEVEL	36,780,400	36,780,400	36,780,400	36,524,600	36,524,600	36,524,600

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Facilities and Support Services

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Department of Facilities and Support Services, Perry/Knott Recreational Authority-Red Fox Golf Course Project, in the amount of \$1,685,000 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Authorization and Purpose of Pool: The Guaranteed Energy Performance Projects Pool shall serve as a central project pool for Guaranteed Energy Savings Performance Contracts in any state-owned building. These contracts will function as lease-purchase procurements, using energy savings as payment for improvements, as provided by KRS 56.770 to 56.784. The Finance and Administration Cabinet is authorized to enter into various guaranteed energy performance contracts for facilities in any state agency."

"Restricted Funds – Kentucky Capitol Complex: The Restricted Funds authorized for the Improve Site Infrastructure – Kentucky Capitol Complex project are restricted by the Federal Government. One of the authorized uses is for energy related projects. It is the intention of the General Assembly that these funds be used to offset a portion of the cost for the new Power Plant Building at the Capitol Annex which will result in substantial energy savings."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

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Facilities and Support Services

The House adds a Part I, Operating Budget, language provision as follows:

"Old Governor's Mansion: The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. No one shall reside in the Old Governor's Mansion, and it shall be used as a meetinghouse or museum only. The Secretary of the Finance and Administration Cabinet is directed to transfer the operation and use of the Old Governor's Mansion to the Kentucky Historical Society and transfer funding of \$100,000 in fiscal year 2004-2005 and \$100,000 in fiscal year 2005-2006. The Kentucky Historical Society shall direct the official use of the Old Governor's Mansion, which shall not be used as a residence of the Lieutenant Governor. The Kentucky Historical Society shall also provide appropriate recognition, associated with the Mansion, for Dr. Thomas D. Clark, Kentucky Historian Laureate for Life."

Part II, Capital Budget

The House concurs with the Bill as Introduced with the following changes:

Acquire Land/Demolish Bldgs - Statewide - Additional, Investment Income of \$975,000 in fiscal year 2004-2005 and Investment Income of \$975,000 in fiscal year 2005-2006 has been deleted.

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$1,950,000 The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

Deferred Maintenance Fund, Investment Income of \$500,000 in fiscal year 2004-2005 and Investment Income of \$500,000 in fiscal year 2005-2006 has been deleted.

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$1,000,000 The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

Emergency Repair, Maintenance and Replacement Fund, Investment Income of \$2,500,000 in fiscal year 2004-2005 and \$2,500,000 in fiscal year 2005-2006 has been deleted.

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Facilities and Support Services

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$5,000,000 The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

Maintenance Pool, Investment Income of \$3,750,000 in fiscal year 2005 and Investment Income of \$3,750,000 in fiscal year 2006 has been deleted.

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$7,500,000 The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

The House adds a Part II, Capital Budget, language provision as follows:

"Statewide Repair, Maintenance, and Replacement Pool Fund: Included in the above Statewide Repair, Maintenance, and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2004-2005:

- (a) Military Affairs, Construct 30 New T-Hangars, Capital City Airport, \$1,350,000;
- (b) Military Affairs, Maintenance Pool, \$1,720,000;
- (c) Parks, Maintenance Pool, \$7,980,000;
- (d) Environmental and Public Protection Cabinet, General Administration and Support, Maintenance Pool, \$700,000;
- (e) Environmental and Public Protection Cabinet, Department for Environmental Protection, State-Owned Dam Repair, \$1,000,000;
- (f) Facilities and Support Services, Acquire Land/Demolish Buildings Statewide, \$1,950,000;
- (g) Facilities and Support Services, Statewide Deferred Maintenance Fund, \$1,000,000;
- (h) Facilities and Support Services, Emergency Repair, Maintenance, and Replacement Fund, \$5,000,000;
- (i) Facilities and Support Services Maintenance Pool, \$7,500,000;
- (j) Health and Family Services Cabinet, Department for Mental Health and Mental Retardation Services, Chiller Pool, \$450,000; and
- (k) Justice and Public Safety Cabinet, Department for Juvenile Justice, Maintenance Pool, \$900,000."

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Facilities and Support Services

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget, Part I, Operating Budget, language provision as follows:

"Old Governor's Mansion: The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor."

The Senate amends Part II, Capital Budget by providing Bond Funds totaling \$18,225,000 for the Statewide Repair, Maintenance, and Replacement Pool Fund in fiscal year 2004-2005, providing \$975,000 in Investment Income for the Acquire Land/Demolish Bldgs. - Statewide - Additional project in fiscal year 2004-2005, providing \$800,000 in General Fund for the Governor's Mansion HVAC and Window Replacement project in fiscal year 2004-2005, additional \$2,500,000 in Investment Income for the Emergency Repair, Maintenance & Replacement Fund in fiscal year 2004-2005, additional \$3,750,000 in Investment Income for the Maintenance Pool in fiscal year 2004-2005 and 53,500,000 Bond Funds for the Renovate State Office Bldg. Phase II project.

The Senate amends Part II, Capital Budget, language provision as follows:

"Statewide Repair, Maintenance, and Replacement Pool Fund: Included in the above Statewide Repair, Maintenance, and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2004-2005:

- (a) Military Affairs, Construct 30 New T-Hangars, Capital City Airport, \$1,350,000;
- (b) Military Affairs, Maintenance Pool, \$860,000;
- (c) Parks, Maintenance Pool, \$3,990,000;
- (d) Kentucky Horse Park Commission, Maintenance Pool, \$575,000;
- (e) Department of Education, Operations and Support Services, \$675,000;
- (f) Environmental and Public Protection Cabinet, Department for Environmental Protection, State-Owned Dam Repair, \$1,000,000;
- (g) Facilities and Support Services, Acquire Land/Demolish Buildings Statewide, \$975,000;
- (h) Facilities and Support Services, Statewide Deferred Maintenance Fund, \$1,000,000;

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- (i) Facilities and Support Services Maintenance Pool, \$3,750,000;
- (j) Health and Family Services Cabinet, Department for Mental Health and Mental Retardation Services, Maintenance Pool, 1,500,000;
- (k) Health and Family Services Cabinet, Miscellaneous Roof Pool, \$200,000; and
- (l) Justice and Public Safety Cabinet, Corrections Management, Maintenance Pool, \$1,850,000."

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference amends the State Executive Branch Budget, Part I, Operating Budget, language provision as follows:

"Old Governor's Mansion: The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. he Secretary of the Finance and Administration Cabinet is directed to transfer the operation and use of the Old Governor's Mansion to the Kentucky Historical Society and transfer funding of \$100,000 in fiscal year 2004-2005 and \$100,000 in fiscal year 2005-2006. The Kentucky Historical Society shall direct the official use of the Old Governor's Mansion, which shall not be used as a residence of the Lieutenant Governor."

The Conference amends Part II, Capital Budget, by reducing the Renovate State Office Building Capital project to \$35,000,000 Bond Funds in fiscal year 2004-2005.

The Conference amends Part II, Capital Budget, language provision, as a technical change, to correct the amount listed for Health and Family Services Cabinet, Miscellaneous Roof Pool as \$700,000. The complete language is as follows:

"Statewide Repair, Maintenance, and Replacement Pool Fund: Included in the above Statewide Repair, Maintenance, and Replacement Pool Fund are the following Bond Funds supported projects and related appropriations in fiscal year 2004-2005:

- (a) Military Affairs, Construct 30 New T-Hangars, Capital City Airport, \$1,350,000;
- (b) Military Affairs, Maintenance Pool, \$860,000;
- (c) Parks, Maintenance Pool, \$3,990,000;
- (d) Kentucky Horse Park Commission, Maintenance Pool, \$575,000;

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- (e) Department of Education, Operations and Support Services, \$675,000;
- (f) Environmental and Public Protection Cabinet, Department for Environmental Protection, State-Owned Dam Repair, \$1,000,000;
- (g) Facilities and Support Services, Acquire Land/Demolish Buildings Statewide, \$975,000;
- (h) Facilities and Support Services, Statewide Deferred Maintenance Fund, \$1,000,000;
- (i) Facilities and Support Services Maintenance Pool, \$3,750,000;
- (j) Health and Family Services Cabinet, Department for Mental Health and Mental Retardation Services, Maintenance Pool, 1,500,000;
- (k) Health and Family Services Cabinet, Miscellaneous Roof Pool, \$700,000; and
- (l) Justice and Public Safety Cabinet, Corrections Management, Maintenance Pool, \$1,850,000."

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G - Finance and Administration Cabinet**Capital Budget****Facilities and Support Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund	7,500,000	8,300,000	8,300,000			
Restricted Funds	1,924,000	1,924,000	1,924,000	124,000	124,000	124,000
Bond Funds	35,550,000	77,725,000	59,225,000			
Capital Construction Sur	444,400	444,400	444,400			
Investment Income	1,400,000	8,625,000	8,625,000			
TOTAL CAPITAL	46,818,400	97,018,400	78,518,400	124,000	124,000	124,000
II. CAPITAL PROJECTS						
2	Acquire Land/ Demolish Bldgs-Statewide-Additional					
PRJ7850150						
Investment Income		975,000	975,000			
Project Total		975,000	975,000			
3	Improve Site Infrastructure-KY Capitol Complex II					
PRJ7850151						
Restricted Funds	1,800,000	1,800,000	1,800,000			
Bond Funds	6,000,000	6,000,000	6,000,000			
Project Total	7,800,000	7,800,000	7,800,000			
4	Capital Const & Equip Purchase Cont Fund					
PRJ7850160						
General Fund	5,000,000	5,000,000	5,000,000			
Investment Income	1,400,000	1,400,000	1,400,000			
Project Total	6,400,000	6,400,000	6,400,000			
5	Maint Pool-Statewide Deferred					
PRJ7850156						
Capital Construction Sur	444,400	444,400	444,400			
Project Total	444,400	444,400	444,400			
6	Renovate State Off. Bldg. Phase 2-Franklin Co					
PRJ7850152						
Bond Funds		53,500,000	35,000,000			
Project Total		53,500,000	35,000,000			

G - Finance and Administration Cabinet**Capital Budget****Facilities and Support Services**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
7	Energy Performance Projects Pool						
PRJ7850153							
Other Funds							
Project Total							
8	Emergency Repair, Maint & Replacement Fund						
PRJ7850166							
General Fund		2,500,000	2,500,000	2,500,000			
Investment Income			2,500,000	2,500,000			
Project Total		2,500,000	5,000,000	5,000,000			
9	Maint Pool-Finance Owned Bldgs						
PRJ7850167							
Restricted Funds		124,000	124,000	124,000	124,000	124,000	124,000
Investment Income			3,750,000	3,750,000			
Project Total		124,000	3,874,000	3,874,000	124,000	124,000	124,000
10	Statewide Repair, Maintenance, and Replacement Pool Fund						
PRJ7850168							
Bond Funds		29,550,000	18,225,000	18,225,000			
Project Total		29,550,000	18,225,000	18,225,000			
11	Governors Mansion HVAC and window replacement						
PRJ7850169							
General Fund			800,000	800,000			
Project Total			800,000	800,000			
TOTAL CAPITAL		46,818,400	97,018,400	78,518,400	124,000	124,000	124,000

G - Finance and Administration Cabinet

Operating Budget

County Costs

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	18,581,500	18,581,500	18,581,500	18,681,500	18,681,500	18,681,500
Restricted Funds	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000
Regular Total Funds	20,506,500	20,506,500	20,506,500	20,606,500	20,606,500	20,606,500
Continuing						
TOTAL FUNDS	20,506,500	20,506,500	20,506,500	20,606,500	20,606,500	20,606,500
II. EXPENDITURE CATEGORY						
Personnel Costs	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Operating Expenses	14,281,500	14,281,500	14,281,500	14,381,500	14,381,500	14,381,500
Grants, Loans, Benefits	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000
TOTAL EXPENDITURES	20,506,500	20,506,500	20,506,500	20,606,500	20,606,500	20,606,500
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	18,581,500	18,581,500	18,581,500	18,681,500	18,681,500	18,681,500
Restricted Funds	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000	1,925,000
Regular Total Funds	20,506,500	20,506,500	20,506,500	20,606,500	20,606,500	20,606,500
Continuing						
TOTAL BASE LEVEL	20,506,500	20,506,500	20,506,500	20,606,500	20,606,500	20,606,500

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County Costs

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"County Costs: Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act."

The bill as introduced provides expenditures by program within the County Cost appropriation unit as follows:

<u>Program</u>	<u>FY2004-2005</u>	<u>FY2005-2006</u>
Public Defender Program	1,850,000	1,850,000
Witnesses	150,000	150,000
DUI Service Fees	1,425,000	1,425,000
Sheriffs Fees'	7,800,000	7,800,000
County Clerks (Make Tax Bills)	400,000	400,000
Board of Assessment Appeals	75,000	75,000
Fugitive from Justice	1,700,000	1,700,000
Jury Fund	3,700,000	3,800,000
Sheriffs Expense Allowance	500,000	500,000
Premium on Sheriffs' Bond	6,500	6,500
Base Court Revenue	0	0
Access to Justice	2,900,000	2,900,000
Total Expenditures	<u>20,506,500</u>	<u>20,606,500</u>

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County Costs

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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G - Finance and Administration Cabinet**Operating Budget****Commonwealth Office of Technology**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	292,500	292,500	292,500	292,500	292,500	292,500
Restricted Funds	56,636,400	56,636,400	56,636,400	56,718,800	56,718,800	56,718,800
Federal Funds	771,800	771,800	771,800	628,300	628,300	628,300
Road Fund	125,000	125,000	125,000	125,000	125,000	125,000
Regular Total Funds	57,825,700	57,825,700	57,825,700	57,764,600	57,764,600	57,764,600
Continuing						
TOTAL FUNDS	57,825,700	57,825,700	57,825,700	57,764,600	57,764,600	57,764,600
II. EXPENDITURE CATEGORY						
Personnel Costs	33,044,900	33,044,900	33,044,900	33,196,000	33,196,000	33,196,000
Operating Expenses	23,105,800	23,105,800	23,105,800	22,893,600	22,893,600	22,893,600
Grants, Loans, Benefits	175,000	175,000	175,000	175,000	175,000	175,000
Construction	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
TOTAL EXPENDITURES	57,825,700	57,825,700	57,825,700	57,764,600	57,764,600	57,764,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	292,500	292,500	292,500	292,500	292,500	292,500
Restricted Funds	56,636,400	56,636,400	56,636,400	56,718,800	56,718,800	56,718,800
Federal Funds	771,800	771,800	771,800	628,300	628,300	628,300
Road Fund	125,000	125,000	125,000	125,000	125,000	125,000
Regular Total Funds	57,825,700	57,825,700	57,825,700	57,764,600	57,764,600	57,764,600
Continuing						
TOTAL BASE LEVEL	57,825,700	57,825,700	57,825,700	57,764,600	57,764,600	57,764,600

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Commonwealth Office of Technology

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Technology Trust Fund, in the amount of \$864,800, in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Transfer of Restricted Funds from Operating Budget: For the major equipment purchases displayed in this section funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed."

Kentucky Information Highway- A \$3.5 million investment in restricted funds for the Kentucky Information Highway, a statewide telecommunications and information network, that has been developed by Kentucky state government in partnership with private telephone companies.

Kentucky Emergency Warning System- Among the top priorities identified for funding is the Kentucky Emergency Warning System replacement project (\$26.7 million in bonds). This project will replace the statewide Emergency Warning System for the Commonwealth that is relied upon by law enforcement, emergency response, Kentucky Educational Television (KET), and local officials in the event of impending or actual disaster. It replaces the seriously outdated system created and constructed in the immediate wake of the 1974 tornado outbreak in the Commonwealth.

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Commonwealth Office of Technology

Unified Criminal Justice System E-WARRANT- Another top priority is the \$4.5 million Unified Criminal Justice System. The system will improve prosecutorial, law enforcement, and judicial functions.

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate amends the State Executive Branch Budget Bill, Part II, Capital Budget, by providing Bond Funds totaling \$13,768,000 in fiscal year 2004-2005 for the Public Safety Communications Infrastructure - KEWS project.

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference amends Part I, Operating Budget, by adding the following language:

"Merged Dispatch Funds: Notwithstanding KRS 65.7631, any Public Safety Answering Point (PSAP) that chooses to consolidate operations after July 15, 1998 shall continue to receive pro rata shares as if each had remained separate and distinct entities."

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G - Finance and Administration Cabinet**Capital Budget****Commonwealth Office of Technology**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Restricted Funds	11,610,000	11,610,000	11,610,000	4,750,000	4,750,000	4,750,000
Federal Funds	1,300,000	1,300,000	1,300,000			
Bond Funds	31,268,000	18,268,000	18,268,000			
TOTAL CAPITAL	44,178,000	31,178,000	31,178,000	4,750,000	4,750,000	4,750,000
II. CAPITAL PROJECTS						
1 UCJIS - Court Improvements (E-Warrants)						
PRJ0790028						
Federal Funds	1,000,000	1,000,000	1,000,000			
Bond Funds	4,500,000	4,500,000	4,500,000			
Project Total	5,500,000	5,500,000	5,500,000			
2 Enterprise Infrastructure Security						
PRJ0790029						
Restricted Funds	1,000,000	1,000,000	1,000,000			
Project Total	1,000,000	1,000,000	1,000,000			
3 Enterprise Storage Solution						
PRJ0790031						
Restricted Funds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Project Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4 Enterprise Tape Equipment/Media Solution						
PRJ0790032						
Restricted Funds	1,200,000	1,200,000	1,200,000			
Project Total	1,200,000	1,200,000	1,200,000			
5 Enterprise Messaging						
PRJ0790033						
Restricted Funds	660,000	660,000	660,000			
Project Total	660,000	660,000	660,000			
6 Disaster Recovery Project-Design						
PRJ0790034						
Restricted Funds				1,200,000	1,200,000	1,200,000
Project Total				1,200,000	1,200,000	1,200,000

G - Finance and Administration Cabinet**Capital Budget****Commonwealth Office of Technology**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
7	Kentucky Information Highway Upgrade Expansion-Additional						
PRJ0790035							
	Restricted Funds	3,500,000	3,500,000	3,500,000			
	Project Total	3,500,000	3,500,000	3,500,000			
8	Enterprise UNIX Server(s) Consolidation						
PRJ0790037							
	Restricted Funds	2,000,000	2,000,000	2,000,000	1,300,000	1,300,000	1,300,000
	Project Total	2,000,000	2,000,000	2,000,000	1,300,000	1,300,000	1,300,000
10	Enterprise Server Complex Update						
PRJ0790040							
	Restricted Funds	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
	Project Total	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
11	Statewide Digital Orthoimagery Basemap Updating						
PRJ0790042							
	Restricted Funds	200,000	200,000	200,000			
	Federal Funds	300,000	300,000	300,000			
	Project Total	500,000	500,000	500,000			
12	Disk Storage Upgrade						
PRJ0790044							
	Restricted Funds	800,000	800,000	800,000			
	Project Total	800,000	800,000	800,000			
13	Public Safety Communication Infrastructure-KEWS						
PRJ0790047							
	Bond Funds	26,768,000	13,768,000	13,768,000			
	Project Total	26,768,000	13,768,000	13,768,000			
15	Franklin County - Lease						
PRJ0790049							
	General Fund						
	Project Total						
TOTAL CAPITAL		44,178,000	31,178,000	31,178,000	4,750,000	4,750,000	4,750,000

G - Finance and Administration Cabinet**Operating Budget****Revenue**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	175,000	175,000	175,000	175,000	175,000	175,000
General Fund	61,183,200	61,183,200	61,183,200	62,860,700	62,860,700	62,860,700
Restricted Funds	3,234,800	3,234,800	3,234,800	3,197,700	3,197,700	3,197,700
Road Fund	1,418,000	1,418,000	1,418,000	1,418,000	1,418,000	1,418,000
Regular Total Funds	66,011,000	66,011,000	66,011,000	67,651,400	67,651,400	67,651,400
Continuing						
TOTAL FUNDS	66,011,000	66,011,000	66,011,000	67,651,400	67,651,400	67,651,400
II. EXPENDITURE CATEGORY						
Personnel Costs	44,030,300	44,030,300	44,030,300	44,028,800	44,028,800	44,028,800
Operating Expenses	21,980,700	21,980,700	21,980,700	23,622,600	23,622,600	23,622,600
TOTAL EXPENDITURES	66,011,000	66,011,000	66,011,000	67,651,400	67,651,400	67,651,400
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	175,000	175,000	175,000	175,000	175,000	175,000
General Fund	61,183,200	61,183,200	61,183,200	62,860,700	62,860,700	62,860,700
Restricted Funds	3,234,800	3,234,800	3,234,800	3,197,700	3,197,700	3,197,700
Road Fund	1,418,000	1,418,000	1,418,000	1,418,000	1,418,000	1,418,000
Regular Total Funds	66,011,000	66,011,000	66,011,000	67,651,400	67,651,400	67,651,400
Continuing						
TOTAL BASE LEVEL	66,011,000	66,011,000	66,011,000	67,651,400	67,651,400	67,651,400

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Revenue

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Department of Revenue, Agency Revenue Fund, in the amount of \$103,700, in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Insurance Surcharge Rate: Pursuant to KRS 136.392, the insurance surcharge rate shall be calculated at a rate to provide sufficient funds in the 2004-2006 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law Enforcement Foundation Program Fund. The calculation of sufficient funds for the above-named programs shall include any Restricted Funds carried forward from fiscal years 2003-2004 and 2004-2005 provided by the General Assembly in this Act."

"Road Fund Compliance and Motor Vehicle Property Tax Programs: The above Road Fund appropriation in each fiscal year represents the cost of the Road Fund Compliance and Motor Vehicle Property Tax Programs within the Department of Revenue and is to be used exclusively for that purpose."

"Tax Compliance and Collection Efforts: Included in the above General Fund appropriation is \$4,007,800 in fiscal year 2004-2005 and \$4,181,400 in fiscal year 2005-2006 for personnel, operating costs, and information systems to support compliance and efficiency in collections of delinquent taxes and other amounts owed to the Commonwealth."

**Fiscal Biennium 2004-2006
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Revenue

"Operations of Revenue: Notwithstanding KRS 132.672 and 365.390(2), funds may be expended in support of the operations of the Department of Revenue."

Debt Collection- The bill as introduced, recommends new funding for the Revenue Department to aggressively collect debts owed to the Commonwealth. Both staff resources as well as technology resources are bolstered with the projected result of the collection of an additional \$10 million in fiscal year 2004-2005 and \$20 million in fiscal year 2005-2006.

Streamlined Sales Tax Project- Bond funds totaling \$14,062,000 will be used to revamp the information systems needed to implement changes to the sales tax systems required for the Commonwealth to benefit from the National Streamlined Sales Tax Project. This is the interstate coordinated effort to simplify and streamline the taxation of remote sales across the states.

Significant Revenue Information Technology System Projects- Three significant systems for the Department of Revenue include the Streamlined Sales Tax Simplification project, \$14 million, the Business Refund Offset system, \$1.75 million, and the Collection System Interface Phase I, \$1.5 million. These systems are all necessary to ensure that revenues are properly and efficiently collected.

The Bill as introduced provides General Fund-Phase I Tobacco Settlement Funds totaling \$175,000 in fiscal year 2004-2005 and \$175,000 in fiscal year 2005-2006 for the Department of Revenue to enhance the enforcement of the provisions of KRS 131.600 and 131.604-131.630.

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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G - Finance and Administration Cabinet**Capital Budget****Revenue**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund	875,000	875,000	875,000			
Bond Funds	17,312,000	17,312,000	17,312,000			
TOTAL CAPITAL	18,187,000	18,187,000	18,187,000			
II. CAPITAL PROJECTS						
1	Develop Streamlined Sales Tax Simplification System					
PRJC30A0022						
Bond Funds	14,062,000	14,062,000	14,062,000			
Project Total	14,062,000	14,062,000	14,062,000			
2	Lease - Franklin County					
PRJC30A0024						
General Fund						
Project Total						
3	Lease - Franklin County					
PRJC30A0025						
General Fund						
Project Total						
4	Lease - Franklin County					
PRJC30A0026						
General Fund						
Project Total						
5	Business Refund Off-Set System					
PRJC30A0027						
Bond Funds	1,750,000	1,750,000	1,750,000			
Project Total	1,750,000	1,750,000	1,750,000			
6	Collection System Interface Phase I					
PRJC30A0028						
Bond Funds	1,500,000	1,500,000	1,500,000			
Project Total	1,500,000	1,500,000	1,500,000			

CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

G - Finance and Administration Cabinet

Capital Budget

Revenue		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
7	Scanner Replacement						
PRJC30A0029							
General Fund		875,000	875,000	875,000			
Project Total		875,000	875,000	875,000			
TOTAL CAPITAL		18,187,000	18,187,000	18,187,000			

G - Finance and Administration Cabinet

Operating Budget

Property Valuation Administrators

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	29,719,600	29,719,600	29,719,600	30,532,600	30,532,600	30,532,600
Restricted Funds	3,578,100	3,578,100	3,578,100	3,510,000	3,510,000	3,510,000
Regular Total Funds	33,297,700	33,297,700	33,297,700	34,042,600	34,042,600	34,042,600
Continuing						
TOTAL FUNDS	33,297,700	33,297,700	33,297,700	34,042,600	34,042,600	34,042,600
II. EXPENDITURE CATEGORY						
Personnel Costs	32,865,700	32,865,700	32,865,700	33,610,600	33,610,600	33,610,600
Operating Expenses	432,000	432,000	432,000	432,000	432,000	432,000
TOTAL EXPENDITURES	33,297,700	33,297,700	33,297,700	34,042,600	34,042,600	34,042,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	29,719,600	29,719,600	29,719,600	30,532,600	30,532,600	30,532,600
Restricted Funds	3,578,100	3,578,100	3,578,100	3,510,000	3,510,000	3,510,000
Regular Total Funds	33,297,700	33,297,700	33,297,700	34,042,600	34,042,600	34,042,600
Continuing						
TOTAL BASE LEVEL	33,297,700	33,297,700	33,297,700	34,042,600	34,042,600	34,042,600

**Fiscal Biennium 2004-2006
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Property Valuation Administrators

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Property Valuation Administration Restricted Funds, in the amount of \$111,600, in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Management of Expenditures: Notwithstanding KRS 132.590 and 132.597, the property valuation administrators are authorized to take necessary actions to manage expenditures within the appropriated amounts contained in this Act."

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

G - Finance and Administration Cabinet**Capital Budget****Kentucky Lottery Corporation**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Other Funds	21,500,000	21,500,000	21,500,000	3,000,000	3,000,000	3,000,000
TOTAL CAPITAL	21,500,000	21,500,000	21,500,000	3,000,000	3,000,000	3,000,000
II. CAPITAL PROJECTS						
1 Sales & Quota System						
PRJ0810168						
Other Funds	500,000	500,000	500,000			
Project Total	500,000	500,000	500,000			
2 Potential Buyout of On-line Gambling System						
PRJ0810169						
Other Funds	12,250,000	12,250,000	12,250,000			
Project Total	12,250,000	12,250,000	12,250,000			
3 Contingency on Property Adjacent to New Headquarters						
PRJ0810170						
Other Funds	3,750,000	3,750,000	3,750,000			
Project Total	3,750,000	3,750,000	3,750,000			
4 Network Storage & Associated Infrastructure						
PRJ0810171						
Other Funds	500,000	500,000	500,000			
Project Total	500,000	500,000	500,000			
5 i Series System Upgrades						
PRJ0810172						
Other Funds	1,500,000	1,500,000	1,500,000			
Project Total	1,500,000	1,500,000	1,500,000			
6 Data Processing, Telecomm., and Related Equipment						
PRJ0810173						
Other Funds	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Project Total	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
TOTAL CAPITAL	21,500,000	21,500,000	21,500,000	3,000,000	3,000,000	3,000,000

Fiscal Biennium 2004-2006
Budget Modification Report

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KY Lottery Corporation

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Property Acquisition: The Kentucky Lottery Corporation may acquire properties related to the consolidation of the Kentucky Lottery Corporation's facilities assuming one or more of the properties becomes available for purchase. The purchase price of the properties shall not exceed \$3,750,000 in the aggregate."

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.